

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF COLUMBIA GAS OF)	CASE NO. 2012-00038
KENTUCKY, INC.)	

O R D E R

On October 26, 2009, in Case No. 2009-00141,¹ the Commission approved rates for Columbia Gas of Kentucky, Inc. ("Columbia") and provided for their further adjustment in accordance with Columbia's Gas Cost Adjustment ("GCA") clause.

On January 30, 2012, Columbia filed its proposed GCA to be effective February 29, 2012.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Columbia's notice includes rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Columbia's Expected Gas Cost ("EGC") is \$6.1218 per Mcf, a decrease of \$.5892 per Mcf from its last EGC of \$6.7110 per Mcf.
3. Columbia's notice sets out a rate for Banking and Balancing Service of \$.0210 per Mcf.

¹ Case No. 2009-00141, Application of Columbia Gas of Kentucky, Inc. for an Adjustment in Rates (Ky. PSC Oct. 26, 2009).

4. Columbia's notice sets out a current quarter supplier Refund Adjustment ("RA") of (\$.0040) per Mcf. Columbia's notice sets out a total RA of (\$.0162) per Mcf, which represents a decrease of \$.0020 per Mcf from the prior RA of (\$.0142) per Mcf.

5. Columbia's notice sets out its Actual Cost Adjustment ("ACA") of (\$.1605) per Mcf, which is no change from the previous ACA.

6. Columbia's notice sets out its Balancing Adjustment ("BA") of (\$.3752) per Mcf, which represents an increase of \$.7318 per Mcf from the previous BA of (\$1.1070) per Mcf.

7. Columbia's notice sets out a Special Agency Service refund adjustment of (\$.0002) per Mcf, which represents no change from the previous rate.

8. Columbia's notice sets out its Gas Cost Incentive Adjustment ("GCIA") of \$.0189 per Mcf, which represents a decrease of \$.0018 per Mcf from the previous GCIA of \$.0207 per Mcf.

9. Columbia's approved Gas Cost Recovery rate ("GCR") is \$5.5886 per Mcf, which is an increase of \$.1388 per Mcf from the previous GCR of \$5.4498 per Mcf.

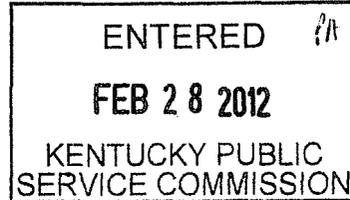
10. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for billing for the March 2012 billing cycle, beginning on February 29, 2012.

IT IS THEREFORE ORDERED that:

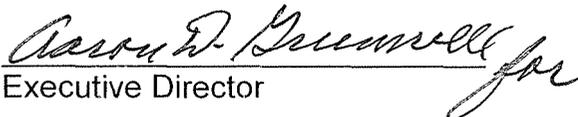
1. The rates in the Appendix to this Order are approved for billing with the final meter readings beginning on February 29, 2012.

2. Within 20 days of the date of this Order, Columbia shall file with this Commission its revised tariffs setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2012-00038 DATED FEB 28 2012

The following rates and charges are prescribed for the customers in the area served by Columbia Gas of Kentucky, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Gas Cost Recovery Rate

The total Gas Cost Recovery Rate shall be \$5.5886 per Mcf effective February 29, 2012.

Judy M Cooper
Director, Regulatory Services
Columbia Gas of Kentucky, Inc.
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